



**Sustainability Report**

**2023**

# Annex A: Reporting Template

## Contextual Information

Company Details	
Name of Organization	<b>Cebu Landmasters, Inc.</b>
Location of Headquarters	10th Floor Park Centrale, Jose Ma. Del Mar St., Cebu IT Park, Brgy. Apas, Cebu City
Location of Operations	The Company, with projects in varying stages of development, is currently present in 9 provinces, 16 cities, 6 municipalities, and 54 barangays in the Visayas and Mindanao Regions.
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	<p><b>Subsidiaries:</b></p> <p>A.S. Fortuna Property Ventures, Inc. (“ASF”)            BL CBP Ventures, Inc. (“BL Ventures”)            CCLI Premier Hotels, Inc. (“CCLI”)            CLI Hotels and Resorts Inc. (“CHR”)            CLI-LITE Panglao Inc. (“CLI-LITE”)            Cebu BL-Ramos Ventures, Inc. (CBLRV)            Cebu Homegrown Developers, Inc. (“CHDI”)            Cebu Landmasters Property Management, Inc. (“CPM”)            CLI Premier Hotels Int’l. Inc. (“CPH”)            El Camino Developers Cebu, Inc. (“El Camino”)            GGTT Realty Corporation (“GGTT”)            Mivesa Garden Residences, Inc. (“MGR”)            Ming-mori Development Corporation (“MDC”)            Sugbo Prime Estate, Inc. (“SPE”)            YHES Premier Hotels Inc. (“YHESPH”)            YHEST Realty and Development Corporation (“YHEST”)            Yuson Excellence Soberano, Inc. (“YES”)            Yuson Huang Excellence Soberano, Inc. (“YHES”)</p> <p><b>Associates:</b></p> <p>Icom Air Corporation (“ICOM”)            Iloilo Global City Corporation (“IGCC”)            Magspeak Nature Park, Inc. (“MagsPeak”)</p>
Business Model, including Primary Activities, Brands, Products, and Services	<p>Cebu Landmasters, Inc. (CLI) is the <b>leading</b> developer in Visayas and Mindanao. The Company is mainly engaged in residential development both in vertical and horizontal projects located in key cities and urban areas in VisMin. Key brands include: Premier series (High-end), Garden Series (Mid-Market), Casa Mira (Economic) and Villa Casita (Socialized Housing).</p> <p>CLI is also currently building up its leasing portfolio through more ventures in office, retail, hotels and resort, townships and estate developments.</p> <p><b>Key activities include:</b> Business Development, Technical Planning, Construction, Marketing and Sales, Commercial Operations and Property Management</p>

Reporting Period	January 1, 2023 to December 31, 2023
Highest Ranking Person responsible for this report	Jose Franco B. Soberano Chief Sustainability Officer / Chief Operations Officer

*\*If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

## Materiality Process

**Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.<sup>1</sup>**

CLI determined its list of material topics through a comprehensive process that integrated data assessments, management reviews, and stakeholder engagements conducted in previous years with its performance management system developed in 2022. To begin its assessment, CLI aligned its sustainability strategy with its vision, mission, core values, strategy, and core competencies, making sure that its sustainability efforts are authentically rooted in its core business and corporate identity. CLI then accounted for all its tangible and intangible capitals that allow it to develop its products and provide services. The Company recognizes both its dependencies and impacts on these capitals, striving to minimize negative impacts to these capitals. The capitals are:

<p><b>Natural</b></p> <p>Environmental resources that the Company uses, and which all capitals draw from, including:</p> <ul style="list-style-type: none"> <li>• Landbank 107 hectares</li> <li>• Energy - 82,705.20 GJ consumed</li> <li>• Water - 6,896,852.75 cu.m consumed</li> <li>• Materials (non-renewable): <ul style="list-style-type: none"> <li>○ Sand - 58,395.71 cu.m</li> <li>○ Gravel - 23,026.83 cu.m</li> <li>○ Cement - 117,763,360.00 kg</li> <li>○ Rebars - 42,258,471.26</li> <li>○ Glass - 35,477.03 sq.m</li> <li>○ Limestone - 200,000.14 cu.m</li> </ul> </li> <li>• Materials (renewable): <ul style="list-style-type: none"> <li>○ Lumber/Wood - 2,359,004.28 bd.ft</li> </ul> </li> </ul>	<p><b>Intellectual</b></p> <p>The Company’s knowledge base, brand, reputation, track record, including:</p> <ul style="list-style-type: none"> <li>• Local knowledge / market leadership in Vismin</li> <li>• After-sales and property management support</li> <li>• Digital customer experience</li> <li>• Fast turn over of projects</li> <li>• Award-winning design</li> </ul>
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<sup>1</sup> See GRI 102-46 (2016) for more guidance.

<p><b>Social/Relationship</b></p> <p>The Company's relationships with its stakeholders, such as host communities, and external publics, including:</p> <ul style="list-style-type: none"> <li>• 21 Joint Venture Partners</li> <li>• Network of 11,000 sellers and brokers</li> <li>• LGU/Community Partners in 9 provinces, 22 cities and municipalities, and 54 barangays</li> </ul>	<p><b>Manufactured</b></p> <p>Man-made assets including its real estate products in various stages of development, including:</p> <ul style="list-style-type: none"> <li>• 90 residential projects</li> <li>• 6 Offices</li> <li>• 10 Mixed-use</li> <li>• 3 Estates</li> <li>• 10 Hotels</li> <li>• 180 room keys completed</li> <li>• 1,543 room keys under construction</li> <li>• 35,772 sqm total Gross Leasable Area (GLA) completed</li> <li>• 75,000 sqm GLA under construction</li> </ul>
<p><b>Financial</b></p> <p>Funds used to build and provide services, including:</p> <ul style="list-style-type: none"> <li>• P12.89 billion worth of capital expenditures in 2023</li> </ul>	<p><b>Human</b></p> <p>CLI employees and their skills, competencies, and experiences, including:</p> <ul style="list-style-type: none"> <li>• 914 direct hires</li> <li>• 9,382 indirect hires (outsourced personnel and contractors' workforce)</li> </ul>

Exercises and assessments were conducted per department and with cross-functional teams, which provided significant inputs for the materiality process. In addition, CLI identified its impacts based on the Company's key business activities in the value chain and in the six capitals. Global megatrends were studied and localized against these impacts to further refine them. The Company also reviewed its risks by aligning the risk management process with the materiality process, providing a clearer picture of the most relevant topics to the Company.

CLI regularly engages its stakeholder groups via multi-channel approaches to identify and address their concerns and interests. Insights from stakeholder engagements served to inform CLI's ranking and prioritization of material topics in its materiality matrix, which maps out the importance of each sustainability topic to the Company against its importance to stakeholders. With this matrix, CLI further honed in on the topics that matter most to the Company and its stakeholders.

To integrate these material topics into its operations, CLI developed its performance management system in the form of corporate, departmental, and individual balanced scorecards. Featured in these scorecards are specific key performance indicators (KPIs) based on the identified material

topics, allowing the Company to track its sustainability performance across organizational levels in line with its sustainability strategy. Hence, the scorecard reflects all aspects that matter most to CLI.

CLI's Material Topics 2023	
<p><b>Economic</b></p> <ul style="list-style-type: none"> <li>• Economic Performance (Generation and Distribution)</li> <li>• Products for Low-Income Segment</li> <li>• Compliance to Regulatory Requirements / Permits and Licenses</li> <li>• Supply Chain Management &amp; Procurement Practices</li> <li>• Local Sourcing</li> <li>• Significant Indirect Economic Impacts / Jobs Created or Workforce Supported</li> <li>• Anti-Corruption</li> </ul>	<p><b>Social</b></p> <ul style="list-style-type: none"> <li>• Customer Engagement, Experience, and Satisfaction</li> <li>• Employee Safety, Health, and Well-being</li> <li>• Customer Safety and Health</li> <li>• Customer Privacy and Data Security</li> <li>• Local Communities: Partnerships &amp; Development Programs</li> <li>• Compliance to Labor Laws/Standards</li> <li>• Training and Development</li> <li>• Talent Attraction and Retention</li> <li>• Diversity and Equal Opportunity</li> <li>• Marketing and Labeling</li> </ul>
<p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>• Land, Water, Energy, Materials</li> <li>• Climate-related Risks, Opportunities: Mitigation and Adaptation</li> <li>• Compliance to Environmental Laws</li> <li>• Environmental Impacts: Emissions, Solid Waste, Hazardous Waste, Effluents</li> <li>• Ecosystems and Biodiversity</li> </ul>	<p><b>Governance</b></p> <ul style="list-style-type: none"> <li>• Risk Management</li> <li>• Organizational Efficiencies / Alignment: Optimizing Business Processes</li> <li>• Digital/Technological Innovation</li> <li>• Governance and Ethics</li> </ul>

# ECONOMIC

## Economic Performance

### Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	18,818,413,368	PhP
Direct economic value distributed:	16,135,086,691	PhP
a. Operating costs	1,902,871,510	PhP
b. Employee wages and benefits	608,775,985	PhP
c. Payments to suppliers, other operating costs	8,168,387,481	PhP
d. Dividends given to stockholders and interest payments to loan providers	3,625,988,441	PhP
e. Taxes given to government	1,797,273,315	PhP
f. Investments to community (e.g. donations, CSR)	51,214,485.73	PhP

### **Impacts**

As a result of its primary operations, CLI has generated a number of positive impacts for its employees, customers, host communities, and local economies. CLI helps transform the landscape of the localities where its products are built by developing well-planned, accessible, inclusive, and resilient spaces. In the process, the Company helps spur economic activity in the area with ancillary services, driving increases in rental spaces, water refilling stations, micro businesses, and the like. Increases in property values have also been observed in locations with CLI developments. In addition, CLI provides access to affordable housing by developing products for the low-to-medium income markets. The Company has also created thousands of jobs in the project development cycle by sourcing talent, services, and materials locally.

CLI recognizes the actual and potential negative impacts of its operations on the environment and communities surrounding its projects. Construction work consumes large amounts of non-renewable materials including cement and steel, while travel and other processes in construction, property management, and corporate operations are powered by non-renewable fossil fuels that emit greenhouse gases, contributing to climate change. CLI's developments may also have impacts on local biodiversity as the land-use changes and heightened activity levels affect the natural processes of flora and fauna. Greater economic activity may contribute to traffic congestion and noise in the area. CLI commits to exercising social responsibility and due diligence by implementing programs and initiatives that minimize negative impacts, while enhancing benefits for the Company and its stakeholders.

## Management Approach and Metrics

CLI exceeded internal targets and posted another strong financial performance in 2023 with a 28% increase in Consolidated Net Income. Net Income Attributable to the Company likewise shows significant growth, rising by 12% from the previous year's figures, from 3.17 billion to 3.5 billion. Ongoing projects launched in 2022 and earlier, which are currently under construction, are at a robust 95% sell-out rate, while completed projects have reached an exceptional 99% sold.

To maintain its strong financial performance and continue supporting local workers and economies, CLI has invested in diversifying its portfolio, building recurring income projects and expanding its hotel operations. The Company's recurring income gained the spotlight in 2023 as it completed several recurring income projects to augment its current portfolio, which relies heavily on real estate sales. For hotels, CLI expanded its portfolio from a single project to now encompass four hotels, including the recently completed Citadines Bacolod, Baseline Lyf Cebu, and The Pad Cebu. With an initial offering of 180 rooms, CLI now boasts nearly 800 room keys, with six more hotel projects underway poised to drive future hotel revenue growth. These impressive figures underscore CLI's diverse and dynamic business, aligning with the commitments made of increasing its recurring income portfolio.

In addition, CLI maintains good relationships with its investors through various channels including real time disclosures via the Philippine Stock Exchange EDGE website, "Maestro" newsletter for monthly updates, investor engagements, non-deal local and international roadshows, and reports of company performance. Transparency, good economic performance, and timely declaration of dividends builds trust between CLI and its shareholders, allowing CLI continuous access to financial capital with which to further develop its business.

### [Climate-related risks and opportunities<sup>2</sup>](#)

## Governance

CLI's Corporate Governance Committee and Risk Oversight Committee, chaired by independent directors, are responsible for the oversight of sustainability-related risks or opportunities (SRROs), including climate-related risks or opportunities (CRROs). They provide valuable inputs and assessments regarding industry standards and best practices to guide the Company in setting targets related to SRROs.

Through the Sustainability Council, a group of Sustainability Champions across all departments/functions/units, sustainability-related issues, risks, opportunities, mitigation and adaptation

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<sup>2</sup> Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to nonfinancial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners. <sup>16</sup> For this disclosure, impact refers to the impact of climate-related issues on the company.

strategies are discussed. The Enterprise Risk Management Team maintains a corporate risk register which is reviewed regularly. Moving forward, CLI will narrow its focus on the identification of specific SRROs and CRROs from all fronts, especially in the design, pre-development, construction, operations, and property management phase of the company's projects.

**Strategy**

CLI has identified the following climate-related risks and opportunities it faces over the short, medium and long term:

<b>Risks</b>	<b>Impact on business, strategy, and financial planning</b>
Damages and disruptions from typhoons and heavy floods (Physical)	<ul style="list-style-type: none"> <li>Property damage and high repair and maintenance costs</li> <li>Cost of insurance, retrofitting, and/or installation of mitigating structures in damaged or vulnerable properties and construction sites</li> </ul>
Sea level rise / coastal flooding and increase in peak river flow (Physical)	<ul style="list-style-type: none"> <li>Unavailability of materials and transport challenges which delay project delivery</li> <li>Lost revenue from diminished attractiveness of damaged or vulnerable properties</li> </ul>
Limited supply of coal due to regulations (Transition)	<ul style="list-style-type: none"> <li>Increased operational costs due to higher water rates and disruptions and delays; may also pose financial risks due to delayed project completion</li> </ul>
Water stress / limited supply of water due to changing climate and natural systems (Physical/Transition)	<ul style="list-style-type: none"> <li>Effort and cost of finding alternative sources and suppliers</li> <li>Lost revenue from diminished attractiveness of properties with unreliable supply of utilities</li> </ul>
Extreme heat / heatwave (Physical)	<ul style="list-style-type: none"> <li>Increased operational costs due to disruptions and delays</li> <li>Increased energy costs in managed properties for cooling</li> </ul>
Regulation of carbon-intensive products and activities (Transition)	<ul style="list-style-type: none"> <li>Penalties and other disincentives against carbon emissions</li> <li>Cost of shifting suppliers and other adjustments to comply with carbon regulations</li> </ul>
Technological / Construction Risks (Transition)	<ul style="list-style-type: none"> <li>Increasing investments in R&amp;D and technological innovations to comply with stringent building codes and additional reporting standards which mandate building and energy efficiency</li> </ul>
Changing market preferences (Transition)	<ul style="list-style-type: none"> <li>As potential buyers become more aware of the impacts of climate change, they expect real estate products to be more eco-efficient (with renewable energy sources) and more resilient</li> </ul>
Change in investor sentiment	<ul style="list-style-type: none"> <li>Investors may favor low-carbon real estate assets to align their</li> </ul>

(Transition)	portfolio to climate goals
<b>Opportunities</b>	<b>Impact on business, strategy, and financial planning</b>
Use of renewable energy sources	<ul style="list-style-type: none"> <li>• Lower energy costs due to incentives associated with renewable energy and onsite solar facilities</li> <li>• Competitive advantage due to customer preference for more sustainable properties</li> <li>• Access to increased financial capital due to incentivization of green bonds</li> </ul>
Development of energy efficient building designs	
Use of sustainable building materials to future-proof real estate assets	<ul style="list-style-type: none"> <li>• Ensure higher efficiency standards in construction to reduce future energy dependence during operations</li> </ul>

**Risk Management**

CLI’s Board Risk Oversight Committee (ROC) advises the Board of Directors on high level risk-related matters, including climate-related risks. Climate-related risks that have been identified by the Company to date are a result of existing risk identification processes as outlined in CLI’s Enterprise Risk Management (ERM) framework. The effectiveness of mitigation strategies of current risks are evaluated regularly while emerging risks are assessed at the department and corporate levels through cross functional team meetings at all levels, including Strategic Business Units (SBUs), which maintain their own risk registers based on their field of operations. Input from Sustainability Champions is also integrated into the identification of CRROs. The Risk Steering Committee regularly meets to ensure a multi-disciplinary assessment and holistic approach to corporate risks. This exercise allows the organization to break the silos and integrate information from different departments, units, and external stakeholders. This process leads to scenario planning for top risks. Additionally, emerging risks are discussed and deliberated to agree on which risks offer opportunities to grow the business or threats that should be mitigated. The output of the Steercom discussions is reported to the executive committee by the CRO to prioritize the risks, their treatment, and approval of potential investments or expenses to mitigate the relevant risks. The result will then be presented to the Board Risk Oversight Committee for further comments and inputs. Moving forward, CLI will further refine its process for identifying and assessing CRROs, and further define the integration of climate-related risk management in its existing ERM framework.

In addition, CLI has a dedicated Corporate Finance Department overseeing projections and monitoring activities at both corporate and project levels. This department plays a vital role in analyzing financial forecasts, evaluating investments, and ensuring alignment with strategic objectives. Through close collaboration with project teams, CLI ensures effective resource allocation and risk management to drive sustainable growth and value creation.

## Metrics and Targets

Aligned with its sustainability strategy, CLI is in the process of determining a list of metrics and targets to assess climate-related risks and opportunities and its performance in relation to these. Currently, the following metrics can be used for initial assessment and guidance:

- Energy consumption and costs
- Water consumption
- Costs of mitigating or addressing property damage from physical climate risks, such as insurance (e.g. Contractors' All Risk Insurance) and repair costs
- Costs of mitigation and adaptation measures applied to projects with or adjacent to natural water features or those with inherent natural hazards
- Cost of addressing construction disruptions and delays, such as labor and raw materials supply costs
- Revenues across properties of varying climate vulnerability and sustainability features

## Procurement Practices

### Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers:		
Visayas & Mindanao	75	%
Luzon	24	%
Foreign	1	%

#### Impacts

CLI spends the majority of its procurement budget on Filipino suppliers, contributing to the growth and development of local businesses and economies.

#### Risks

The risk associated in construction or project execution is when the contractor is not able to deliver within the expected timeframe and within budget which causes higher construction costs. In addition, contractors may not meet the Company's quality standards revealing defects and high rectification costs.

#### Management Approach

The procurement of goods and services is centralized at the Company's headquarters and is performed and designated as follows: Supply Chain Management Department for goods and Engineering department for contracted services. CLI has established a contractor and supplier pre-qualification process to conduct due diligence and ensure contractor and supplier legitimacy and performance capabilities as well as to confirm that these vendors meet the Company's acceptable standards including code of conduct, workplace and facility standards, human rights and the environment.

Through a pre-qualification and bidding procedure, the Company obtains construction materials and services from third-party local and national suppliers who fulfill the Company's stringent quality requirements. The Company selects suppliers who can deliver the best value at the highest quality and at the lowest cost and can provide safe and on-time delivery, and has the ability to adapt and innovate in order to suit the Company's needs. Simultaneously, the Company has the appropriate internal controls, organizational structure, and financial sustainability to ensure the supplier's continued delivery as contracted.

## Anti-corruption

### Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100%	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100%	%
Percentage of directors and management that have received anti-corruption training	100%	%
Percentage of employees that have received anti-corruption training	100%	%

### Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

### **Impacts**

Anti-corruption practices allow CLI's business to develop in a fair environment, and generate economic value which can be justly distributed among designated parties. Maintaining a strict stance on anti-corruption regarding suppliers and business partners, and regularly promoting anti-corruption in the workplace, can also contribute to building a culture of integrity in the industry and community.

### **Management Approach**

CLI has a Code of Business Conduct and Ethical Standards which is publicly available on the Company website. Included in the Code is a written policy on anti-graft and corruption, the Pledge of Integrity. All employees learn about the Code and its various details and provisions during the onboarding process, and also regularly receive reminders and updates regarding the Code. In particular, updates and revisions made to the Code in 2023 were cascaded to all employees from July to August 2023. The Human Resources department, departmental heads, supervisors, and Corporate Governance Committee

are jointly tasked to oversee observance of the Code in the organization. Meanwhile, board members and management receive anti-corruption training.

The Company adheres to the various SEC recommendations for corporate governance, such as protecting the independence of directors, barring directors with material interests in a transaction from participating in it, and implementing a whistleblowing policy with provisions for anonymous reporting and a clause to protect the whistleblower from retaliation. These serve to uphold business ethics, reduce risks, and provide mitigation measures for issues related to corruption.

CLI commits to transparency and the disclosure of any incidents involving corruption. In 2023, there were no incidents of corruption in the Company. Likewise, CLI has not participated in any cases or legal proceedings involving anti-competitive behavior or anti-trust or monopoly legislation violations.

## ENVIRONMENT

### Resource Management

#### Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (gasoline)	4,475.41	GJ
Energy consumption (diesel)	47,849.78	GJ
Energy consumption (electricity) - excluding leased areas	8,438,891.18	kWh

#### Reduction of energy consumption

Disclosure	Quantity	Units	% Reduction from 2022
Energy reduction (gasoline)	2,757.63	GJ	▼38.13%
Energy reduction (diesel)	43,563.74	GJ	▼47.66%
Energy reduction (electricity)*	-	kWh	-

\* Purchased electricity (excluding leased areas) for 2023 increased by 1,687,002.60 kWh, or 24.99%.

#### **Impacts**

CLI purchases fuels and electricity for its operations, providing business to local suppliers such as the Visayan Electric Company (VECO) and Davao Light and Power Company (DLPC). However, the use of non-renewable fossil fuels to supply CLI's energy needs results in the emission of greenhouse gases, which contributes to air pollution and climate change.

#### **Risks**

The Company has previously identified risks related to electricity supply in the Visayas and Mindanao regions. Because coal remains a major source of electricity in the country, potential disruptions in the supply of coal would affect the ability of major power distribution facilities to provide electricity to the Company, and hence would also disrupt CLI's operations. Increasing urban populations and the lack of installation of new power sources may also contribute to electricity shortages. Meanwhile, the available renewable energy sources that supply the Cebu, Negros, Panay (CNP) grid are prone to natural hazards which can also result in major power supply disruptions.

### Management Approach

To keep operations running, CLI ensures the availability of diesel and gasoline to fuel generator sets when power is unavailable due to supply disruptions or the lack of power lines in construction sites. The Company also monitors its energy consumption and implements energy efficiency measures to reduce emissions intensities and save on power costs. The HR-Admin Department monitors energy consumption in corporate and branch offices and showrooms, while the Company’s Engineering team, through the various project contractors, monitor energy in their respective construction sites. In residential and commercial properties, CLI’s Property Management (PM) group is responsible for monitoring energy consumption and implementing energy-saving measures such as the careful selection of efficient electrical equipment, installation of mechanical heat recovery ventilators, and compliance with policies and standards to maintain CLI’s energy ratings and adhere to its advocacy of green building design. Furthermore, to reduce greenhouse gas emissions and mitigate potential risks associated with the use of conventional fossil fuels, CLI has integrated the use of renewable energy sources such as solar panels in four projects, two of which are medium-rise buildings in the socialized housing category benefiting informal settler families. These are 1) Sugbo Walk up One, which was donated and turned over to the City of Cebu, and 2) Tipolo Residences - Building 2, which was completed in 2023. These solar panel systems power the common areas of the buildings to reduce the cost that will be shouldered by the beneficiaries. The other two are Velmiro Heights, a residential subdivision and Magspeak. CLI continues to explore the use of renewable energy sources for commercial properties in the future.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	1,366.08	Megaliters
Rainwater collected	6.19	Megaliters
Water consumption	1,111.35	Megaliters
Rainwater used	4.76	Megaliters
Water recycled and reused	76.9	%

**Impacts and Risks**

For operations in Cebu City, the Company sources water from the Metropolitan Cebu Water District (MCWD), supplemented by other providers in some areas, as well as groundwater extraction for some construction sites and managed properties. For projects outside Cebu City, CLI sources water from other water supply companies. Excessive consumption or extraction of water may contribute to water scarcity if withdrawal rates exceed the natural water replenishment rate, especially given aggravating factors such as deforestation and increasing population which will drive up water demand. Over-extraction of water may also lead to pollution of the groundwater. Potential water shortages and pollution pose risks to the Company and its operations.

## Management Approach

Water is a vital resource for CLI's commercial operations, particularly in construction sites, office and retail spaces, hotel facilities, and managed residential properties. To manage water consumption and promote conservation, CLI's PM team and various contractors have implemented measures such as installing water-saving fixtures in the facilities and establishing rainwater collection systems in managed properties. As of 2023, there are 15 properties with rainwater collection systems, which have captured a total of 6,189 cubic meters of water for reuse onsite. The importance of water conservation is also communicated to employees and customers alike.

CLI recognizes further opportunities to increase water usage efficiency and rainwater collection and storage capacity. Systems like water percolation ponds and other catchment areas can be explored in the future to capture significant quantities of water to augment the Company's water supply. This will not only contribute to protecting aquifers by easing water withdrawal rates but can also mitigate the impact of disruptions in purchased water supply by providing the Company with alternative water sources.

### Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
Non-renewable		
Sand	58,395.71	cu.m
Gravel	23,026.83	cu.m
Cement	117,763,360.00	kg
Rebars	42,258,471.26	kg
Glass	35,477.03	sq.m
Limestone	200,000.14	cu.m
Renewable		
Lumber	2,359,004.28	bd.ft
Percentage of recycled input materials used to manufacture the organization's primary products and services	Not Recorded	

### Impacts

Materials are sourced both in-house (owner-supplied) and through local contractors (contractor-supplied), allowing CLI to support local businesses mainly in the Visayas and Mindanao regions. CLI also includes small companies as part of its vendors list, providing them with opportunities to grow. At the same time, CLI recognizes the negative impacts associated with its use of significant volumes of non-renewable construction materials, such as sand, cement, steel, and glass, which are required to develop quality projects. These materials must be procured and used responsibly not only to conserve their supply, but also to manage the environmental impacts associated with their extraction and processing.

**Risks**

The scarcity of these materials poses a major risk to the Company, as this would affect the price of materials and CLI’s industry competitiveness. Disasters may also cause sudden increases in demand for these materials, coupled with decreases in supply if suppliers are affected by the event. Global issues can also affect local prices, especially for heavily imported materials like fuels.

**Management Approach**

CLI has processes and systems in place to monitor its use of materials. The Company coordinates with contractors to continually improve project execution and introduce best construction practices to improve materials efficiency while delivering product quality and durability. This can help CLI reduce costs on materials, particularly those that make up the largest portion of its project spending, such as steel and cement. Aside from materials efficiency measures, the Company plans to manage and mitigate its impacts and risks by exploring alternative or renewable materials for its projects. This can help to further diversify and boost the resilience of the Company’s supply chain, as well as reduce environmental impacts that occur across the supply chain.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Disclosure	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<ul style="list-style-type: none"> <li>MagsPeak Mountain Resort &amp; Villas (under construction/pre-operational stage)</li> </ul>	
Habitats protected or restored - planted native tree seedlings and mangroves in various areas in Cebu province	181.89	ha
IUCN <sup>3</sup> Red List species and national conservation list species with habitats in areas affected by operations	Endangered: <ul style="list-style-type: none"> <li>Molave/Tugas (<i>Vitex parviflora</i>)</li> <li>Benguet pine (<i>Pinus kesiya</i>)</li> </ul>	

<sup>3</sup> International Union for Conservation of Nature

	<ul style="list-style-type: none"> <li>● Tree fern/Salaguisog (<i>Cyathea</i>)</li> </ul> <p>Vulnerable:</p> <ul style="list-style-type: none"> <li>● Narra (<i>Pterocarpus indicus</i>)</li> <li>● Red Nato (<i>Palaquium luzoniense</i>)</li> </ul>
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**Impacts**

Land development has impacts on the local environment and biodiversity, such as damage to vegetation and potential alteration of soil chemistry and fertility, thus affecting populations that depend on these natural conditions. MagsPeak Mountain Resort & Villas, one of CLI’s projects currently in development, has a natural forest system in the upland area located in Brgy Sunog, Balamban Cebu. This is a designated multi-use zone of the Central Cebu Protected Landscape and is home to several native species that may be exposed to the impacts of land development. CLI has taken measures to ensure the protection of biodiversity in its project sites, which create positive impacts not only for the environment but also for local communities who are provided with training and inputs for alternative livelihoods.

**Risks**

There are some risks that pose a threat to the surrounding landscape and biodiversity in CLI’s projects which may affect the Company’s business and customers. These include overharvesting of wood by settlers in the local communities, or in most cases, the dumping of solid waste in nearby areas surrounding the property. These activities may cause disturbances for the Company’s property occupants and reduce the attractiveness of the property, as well as weaken the environmental services provided by the ecosystem like cooling and erosion control. Through effective management, local ecosystems can and must be protected from such activities.

**Management Approach**

**MagsPeak**

To manage impacts on biodiversity in the protected area, built structures in the MagsPeak project will cover only a small portion of the property. In addition, a biodiversity assessment was conducted to identify and set a baseline for monitoring plant and animal life in the protected area. Through this assessment, a list of tree, fern, and bird species present in the locality was created, including the conservation status of identified flora which served to inform the planting activities conducted by Cebu Landmasters Foundation Inc. (CLFI), the Company’s vehicle for environmental stewardship and social responsibility. Endangered and critically endangered local species, such as the Molave, Benguet Pine, Red Lauan, and Kamagong, were included in the list of plants existing onsite and those planted by CLFI through an external partner organization. In 2023, CLFI with its partner People’s Organization, the Barangay Unity Key to Integrated Development (BUKID) Multi-Purpose Cooperative, identified a new planting site covering 15 hectares to accommodate 12,995 seedlings that were sourced and acclimatized. Once planted, these will make a cumulative total of nearly 35,000 seedlings planted in the area since 2021.

MagsPeak is envisioned as a sustainable mountain resort where guests can experience eco-living and learn about the local environment through various exploration activities. The project aims to generate positive impacts in its area through forest ecosystem protection, biodiversity management and enhancement, environmental education, and community engagement.

**GROW Program**

CLI, through its corporate foundation, CLFI, implements the Green Resources & Opportunities for Work (GROW) program across its project sites and partner communities. Members of the local community, including people’s organizations, farmers, and fisherfolk, are directly engaged in the preparation, planting, and maintenance of native tree species, which provides them with alternative livelihood opportunities as well as environmental education and skills training, including tree nursery establishment, seedling production, plantation design, and best practices in planting and maintenance. In 2023, a total of 173,449 trees and mangroves were planted across 181.89 hectares, comprising 33 native tree species, three naturalized fruit tree species, and nine mangrove species. To ensure meaningful impact on the local areas, CLI follows a designated process for the program including approvals, stakeholder engagements and orientations, training, and monitoring.

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	3,199.57	Tonnes CO <sub>2</sub> e
Energy indirect (Scope 2) GHG Emissions	6.16	Tonnes CO <sub>2</sub> e
Emissions of ozone-depleting substances (ODS)	N/A	Tonnes

**Impacts**

CLI recognizes that the direct and indirect use of fossil fuels for its regular operations, including project planning, development, operations, and management, contribute greatly to the generation of greenhouse gas emissions. Direct (Scope 1) and indirect (Scope 2) emissions result from energy use in corporate offices, managed properties, and construction sites, while other indirect (Scope 3) emissions come from the electricity consumption of leased spaces or occupied units. As the Company develops more real estate products, carbon emissions will also increase, which contributes to air pollution and climate change.

**Risks**

As governments around the world take measures to regulate carbon emissions, the Company recognizes the risk of regulatory changes that may disincentivize the use of fossil fuels and impose fines on carbon-intensive activities. Also, worsening climate scenarios pose risks to CLI as this will affect the availability of materials, cause damages to properties, and increase the energy costs of cooling.

## Management Approach

CLI has established a system to record and track carbon emissions from its direct and indirect energy consumption, which will serve as a basis to target reductions and introduce energy-saving measures.

To reduce energy consumption and emissions, CLI incorporates energy-efficient designs in its developments. The Company has set a target to achieve 100% LED lighting across its properties, which will reduce energy costs as well and extend the life cycle of buildings compared to traditional buildings. New projects already implement 100% LED in their designs, while older projects are subject to LED replacement through CLI's ongoing LED retrofitting program.

### Green building design and development

As an advocate of green building design, CLI has received a green building certification for one of its developments from Building for Ecologically Responsive Design Excellence (BERDE). In 2023, CLI registered and started to comply with the BERDE requirements of a medium-rise building in the socialized housing category. Other projects are undergoing certification review based on the metrics and standards of Excellence in Design for Greater Efficiencies (EDGE) and Leadership in Energy and Environmental Design (LEED). CLI is a member of the Green Building Council (PHILGBC) and has in-house Certified Green Building practitioners who ensure that CLI's projects are designed and maintained to world-class standards. The following are some of these green building initiatives, which can promote the reduction of carbon emissions:

1. Heating, ventilation and air conditioning (HVAC) energy-efficient units for indoor installations
2. Maintaining a controlled temperature for HVAC efficiency and longevity of equipment lifespan
3. Installation of solar panels in some projects to power street lights, pumps, parking facility structures, and housing components in common areas. This has generated 21,749 kWh Designated parking for bikes and fuel efficient vehicles in CLI's establishments, to support and promote the use of these
4. Waste prevention systems, and strategic landfilling methods and locations, to reduce the carbon footprint of transporting earth fill materials between projects.

CLI's tree planting initiatives also contribute to the sequestration of carbon from the atmosphere, offsetting a portion of the Company's carbon emissions.

### Air pollutants

Disclosure	Quantity	Units
NO <sub>x</sub>	Not recorded	-
SO <sub>x</sub>		
Persistent organic pollutants (POPs)		

Volatile organic compounds (VOCs)		
Hazardous air pollutants (HAPs)		
Particulate matter (PM)		

**Impacts**

Some activities in the Company’s operations result in the emission of air pollutants like NOx, SOx, and particulate matter, which may affect natural processes and impact the health of people and biodiversity. These include construction activities and the operation of generator sets.

**Management Approach**

CLI does not currently track its emission of air pollutants and recognizes the opportunity to do so in the future. However, the aforementioned energy conservation initiatives also contribute in reducing the Company’s emission of air pollutants, as less fuel is required to meet its energy needs.

## Solid and Hazardous Wastes

### Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	2,919,772.49	kg
Reused	508,328.09	kg
Recycled		
Composted	212,016.7	kg
Incinerated	NA	kg
Residuals/Landfilled	1,199,663.5	kg

### Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	10,965.60	kg
Total weight of hazardous waste transported	10,965.60	kg

### **Impacts and Risks**

Inadequate and improper disposal of waste by the hauler to final waste destinations such as the landfill may impact on land and water contamination and emissions. Wastes that are not diverted from the landfill may cause significant amounts of methane which is 25 times more potent than carbon dioxide at trapping heat in the atmosphere.

### **Management Approach**

Waste from CLI's managed properties are collected by private waste haulers. The Company assesses the capability of its waste collectors to ensure proper handling and disposal, especially of hazardous wastes, which are collected by DENR-accredited haulers from designated areas. For construction projects, CLI's contractors handle waste management.

In 2023, following the results of the 2022 waste audit, CLI's Property Management team developed a detailed waste management plan as part of its comprehensive Sustainability Program. This was implemented across all CLI properties through a launch event and campaign. The waste management program provides measures to ensure that wastes are reduced, reused and recycled wherever possible, including provisions for the reduction, segregation, and disposal of waste, assessing the financial impacts of waste disposal, and monitoring waste data. It features a recycling program to repurpose plastic bottles into useful items, providing an opportunity to partner with organizations that can guide this upcycling effort. Meanwhile, in CLI's vertical properties, the Company has partnered with Evo Enviro Solutions, Inc. for its recycling and upcycling programs.

Further opportunities for CLI to manage its solid waste include more detailed segregation of wastes to divert more materials from landfills, and the establishment of materials recovery facilities (MRFs) in its properties, which can be expanded in horizontal projects to include composting facilities. CLI also recognizes the opportunity to require regular data reports from third-party haulers on waste collected and diverted from landfills.

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	213,252.75	Cubic meters
Total volume of wastewater reused / recycled	23,644.80	Cubic meters
Percent of wastewater recycled	11.09	%

**Impacts**

CLI recognizes that the immediate effect of wastewater on the environment is when it contributes toward the contamination of bodies of water and of natural habitats that may be exposed to harmful chemicals if wastewater discharged is not treated.

**Management Approach**

The Company minimizes effluents by designing and incorporating in its facilities wastewater treatment system in its residential, commercial, office, hotels and project sites. On the average, 80% of water used in managed properties is treated before discharge, while the rest are used for irrigation and similar activities.

For residential subdivisions, domestic wastewater or sewage goes into a septic tank for basic sewage treatment through the process of biological decomposition and drainage. Wastewater treated through this system is then discharged to receiving bodies of water with classification appropriate for the quality of the wastewater discharged.

The Company is exploring the setup of a dual piping system for potable and non-potable water in vertical projects. Wastewater would pass through a separate system for treatment, and then be routed for reuse in flushing or irrigation. This will help reduce water consumption in managed properties.

## Environmental compliance

### Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	N/A	#

### **Impacts**

CLI recognizes that compliance to environmental laws is paramount to its operations. The Company's major activity is land development which has direct impacts on the environment, particularly the increasing dependence on non-renewable resources, soil erosion, groundwater or soil contamination, impacts on biodiversity and habitats, among others.

### **Risks**

Environmental regulatory risk has a direct impact on the business. This risk can come from land use regulations and environmental protection concerns. Any regulatory changes that take place at the local or national level impacts the movement of the Company's projects.

### **Management Approach**

CLI has a designated team to manage and monitor compliance to environmental law. The External Affairs/Permits and Licenses Department, the Company's Strategic Business Units, CLI Property Management, and Engineering ensure compliance to pertinent environmental laws. Pollution Control Officers submit quarterly Self-Monitoring Reports and Compliance Monitoring Reports to the Environmental Management Bureau (EMB) of the Department of Environment and Natural Resources (DENR).

CLI invests in upholding strict environmental compliance, spending over PHP46 million on compliance, development of green features, and other initiatives to mitigate environmental impacts. These include costs of sewage treatment plants, green building certifications, construction of material recovery facilities, solid waste recycling, geohazard assessments, soil investigation, biodiversity assessment, and other expenses related to compliance requirements, permits, and licenses.

Through these efforts, CLI continues to be an exemplary corporate citizen. The Company plans to invest in internal training and third-party advisories to monitor full compliance to the environmental laws and regulations, and correct any non-compliance issues in the past.

## SOCIAL

### Employee Management

#### Employee Hiring and Benefits

##### Employee data

Disclosure	Quantity	Units
Total number of employees <sup>4</sup> (direct hires)	776	#
a. Number of female employees	455	#
b. Number of male employees	321	#
Attrition rate*	12	%
Ratio of lowest paid employee against minimum wage	24.36	%

##### Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
<b>Government-mandated Benefits</b>			
PhilHealth Contribution		100%	100%
Pag-ibig Contribution		100%	100%
Pag-ibig Loan Availment		17%	14%
SSS Contribution		100%	100%
SSS Loan Availment		2%	1%
<b>Leaves</b>			
Sick leaves		59%	41%
Vacation leaves		59%	41%
Emergency leaves		3%	5%
Birthday leaves		88%	85%
Parental leaves		100%	100%

<sup>4</sup> Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

<b>Health Benefits</b>			
Annual Physical Exam		44%	34%
Booster Shots		0%	0%
Flu shots		16%	12%
HMO (company-provided) Medical Assistance (not PhilHealth)		100%	100%
<b>Work Set-up</b>			
Semi flexible-working Hours*		100%	100%
<b>Allowances</b>			
Meal Allowance (Regular employees)		20%	33%
Per Diem Allowances		100%	100%
Rice Subsidy (Regular employees)		100%	100%
<b>Other Fringe Benefits</b>			
Car/Motorcycle Loan		84%	81%
Special Emergency Loan		4%	5%
Company stock options		41%	59%
Company Uniforms		100%	100%
Gift Certificates		100%	100%
Housing assistance (aside from Pag-ibig)		1%	2%
Retirement Fund Program		100%	100%
Savings Benefit Program *5% from Employee's Monthly Basic will be set aside to savings claim		100%	100%

\*Semi flexible time arrangement shifts - where employees are provided shift schedule options

### **Impacts**

Through fair compensation, meaningful engagements, and valuable growth opportunities, CLI provides its workers with decent and gainful employment to support themselves and their families.

## Management Approach

Cebu Landmasters considers its human capital as its most valuable asset in the value creation process. The achievement of the Company’s vision greatly depends on its human capital. To ensure the well-being of its employees, CLI institutes a number of programs and channels that engage employees and protect their rights and interests.

Employees are kept constantly engaged and updated through bi-annual townhall meetings, WorkPlace, quarterly departmental and individual performance management sessions, trainings, summer outings, clubs, and employee volunteer activities. These efforts can boost employee morale and motivation while enhancing their skills and facilitating career development. This can help reduce turnover and also strengthen CLI’s talent pool.

The Compensation and Benefits Committee directly assists the Board of Directors regarding the compensation and benefits made available to employees at all levels of the Company. This committee also oversees the administration and implementation of CLI’s programs concerning remuneration, compensation, and benefits plans, ensuring they are fair and able to provide decent incomes for CLI’s employees. Salaries are benchmarked using the Willis Towers Watson Salary Survey to maintain fair and competitive remuneration. CLI also created a “Comp&Ben Helpdesk” for employees to easily receive guidance and feedback on related concerns. The Company improved its Human Resources Information System (HRIS), allowing better management of employee profiles and records, including payroll. As of 2023, CLI is also planning to conduct a benefits review.

To boost recruitment in 2023, CLI invested in enhancing its employer branding, establishing CLI Career Pages, sharing employee testimonial videos, and opening a referral program. Internship programs were also offered at various universities including the University of Cebu, Cebu Institute of Technology University, University of San Carlos, and the University of the Philippines- Cebu.

### Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees	12,665	hours
a. Female employees	6,965.75	hours
b. Male employees	5,699.75	hours
Average training hours per employee	16	hours
a. Female employees	15.3	hours/employee
b. Male employees	17.8	hours/employee

## Impacts

Investing in employee skills enhancement results in positive impacts to employee morale, loyalty, and productivity. Employees will be better equipped to fulfill their responsibilities in the workplace and pursue career growth.

### Management Approach

To strengthen its human capital, CLI provides employees with numerous and varied opportunities to develop their skills and grow professionally. In-house training opportunities led by the Human Resources department, particularly its Training and Organizational Development Unit, include competency-based course offerings as well as leadership training. CLI launched its “SBU Academy: Real Estate the CLI Way” in 2022, providing core strategic business units (SBUs) and key support members with extensive training on CLI’s end-to-end real estate development process. In 2023, CLI facilitated training for batch 3 of the SBU Academy (batches 1 & 2 conducted in 2022), and planned for a training series on Real Estate 101, to be implemented in 2024. To further facilitate professional growth, the Company implements a Career CLIboard program for employees to create their own career roadmap with the guidance of their line managers, achieving 100% compliance for all employees in 2023.

CLI directors, executives, and key officers attend in-house training sessions supplemented by SEC-accredited corporate governance training, as well as other outsourced seminars and training courses from various training providers. Regular anti-money laundering training is also provided to CLI personnel, conducted by the national Anti-Money Laundering Council.

The CLI PM subsidiary also conducted a number of training sessions in 2023, ranging from highly engaging team building outings to quarterly learning sessions covering topics like accounting, process reorientation, professional branding, customer service, and financial wellness.

## Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	not recorded	#

## Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	55.4	%

% of male workers in the workforce	44.6	%
Number of employees from indigenous communities and/or vulnerable sector*	N/A	#

\*Vulnerable sectors include the elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

## Workplace Conditions, Labor Standards, and Human Rights

### Occupational Health and Safety

Disclosure	Quantity	Units
<b>Construction Sites</b>		
Safe Man-Hours	20,232,031	Man-hours
No. of work-related injuries (First Aid)	409	#
No. of work-related injuries (Medical Treatment Injury)	54	#
No. of work-related fatalities	0	#
Total Disabling Injury Rate (TDIR)		#
Lost Time Injury	0	#
No. of safety drills	49	#
<b>Offices/ Branches</b>		
No. of Work-Related Ill-Health	246	#

### **Impacts**

Protecting and promoting worker health provides direct positive impacts to employees and workers in the Company. In addition, implementing safety measures across all of the Company's facilities, managed properties, and construction sites also protects the safety of members of the general public who are exposed to these sites.

### **Risks**

Risks associated with occupational health are physical and mental health concerns, work-related hazards, injuries, labor and employee relations, catastrophic personal events, succession, and key talent flight risk. All these risks have a significant impact in the Company's business operations if not managed appropriately.

## Management Approach

CLI considers its workforce as its most important asset. As such, it invests significant resources to ensure the protection and well-being of employees and workers by implementing a structured occupational health and safety (OHS) system, providing health benefits like a Health Maintenance Organization (HMO) plan, and conducting employee wellness programs to create a safe and healthy working space.

Occupational health and safety in CLI is spearheaded by the Company’s Health, Environment, and Safety (HES) department. In construction sites, several preventive measures are taken to ensure the safety of workers and keep them prepared to respond to incidents, such as fire drills, safety orientations, physical safety structures such as perimeter nets, weatherproofing of electricals, regular inspections of equipment, and development of emergency evacuation plans. Blood pressure monitoring and random drug testing are conducted to confirm the physical fitness of workers. Audits are also regularly conducted for construction sites as well as the OHS management system.

In 2023, the quarterly HES audit was conducted across 33 construction projects. Contractors were engaged in establishing the Health and Safety Management System Standards, including 33 HES guidelines, nine HES procedures, and 19 HES forms. HES-related training sessions were conducted, four covering risk assessment and one for flagman safety. Channels such as the Daily Toolbox and regular project team meetings were used to discuss safety concerns and updates. As a result, CLI achieved a Total Disabling Injury Rate (TDIR) of zero (0) against its target threshold of three (3), as well as zero lost time incidents, a total of 20,232,031 safe man-hours.

CLI also provides activities to boost employee wellness, motivation, and engagement. Through programs and celebrations like Town Halls, International Women’s Month, the 2023 Summer Outing, Employee Appreciation Day, and the Halloween Event, employees can build rapport and express themselves through creative means. CLI also added three additional Hilig Clubs, namely the Outdoor Club, Volleyball & Badminton Club, and Martial Arts Club as avenues to pursue and explore hobbies with colleagues. In managed properties, CLI’s PM team promoted health and wellness among its employees through the Friday Wellness initiative.

### Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	Code of Business Conduct and Ethical Standards Section 1 - Compliance with Laws and Regulations
Child labor	y	Code of Business Conduct and Ethical Standards Section 1 - Compliance with Laws and Regulations
Human Rights	y	CLI Handbook - section on Employee Discipline Due Process

**Impacts**

It is paramount to the Company to be compliant to the labor code and other laws and regulations protecting the rights of all its employees while promoting a healthy and safe environment in the workplace. CLI recognizes that threats to the rights, health, and safety of its employees impacts productivity, as well as employee retention and engagement.

**Management Approach**

As mentioned in the Environmental Compliance section, CLI has a designated Compliance Officer that regularly checks the Company’s compliance with various laws and regulations, continuously monitoring updates from regulatory bodies. These include labor laws such as those governing fair compensation and treatment, safe working environments, and the prohibition of forced labor and child labor. In addition, the Company’s Handbook on Employee Discipline and the Code of Business Conduct and Ethical Standards sets out policies regarding fair and consistent treatment of all employees. To uphold human rights in all its operations, CLI adheres to this code and regularly monitors workplace conditions to ensure that its employees’ interests are well-protected.

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

1. Compliance to Regulatory Requirements.  
All suppliers and contractors intending to do business with CLI must apply for accreditation through submission of the following but not limited to: a) Company Profile, b) Business Permit/Mayor's Permit c) BIR Form 2303; d) PCAB License; e) SEC/DTI Registration (or COR) f) Articles of Incorporation/GIS; g) DOLE Certificate
2. Appraisal.  
CLI shall appraise all suppliers applying for accreditation. They will be assessed on their Capability (project portfolios), Financial stability (Audited Financial statements) and Liquidity (Bank statement).
3. Review and Evaluation.  
All accredited suppliers shall be included and maintained in the supplier information database and will be reassessed regularly to ensure compliance and delivery.

**Impacts**

Ensuring that suppliers meet the Company's standards is paramount to maintaining product quality, stable supply of resources, project delivery timelines, and workplace safety. Visibility on suppliers' environmental and social performance and compliance also allows CLI to control, mitigate, and avoid negative impacts across its supply chain.

**Management Approach**

CLI's vendor accreditation and performance evaluation is based on the type of transaction being conducted. This process is handled by the specific department concerned, or the department facilitating or engaging the supplier. As a safety measure, contractors who have not delivered on their end of the agreement are removed and replaced to reduce the risk of unreliable supply streams.

Further information on CLI's procurement policies have been mentioned in the Procurement Practices section.

## Relationship with Community

### Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Construction and Management of High-Quality Properties	Locations across Visayas-Mindanao	Indeterminate	N	Right to adequate housing	Quality construction and effective property management enhances the socio-economic conditions of the local communities where CLI's properties are located

\*Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available:

Certificates	Quantity	Units
FPIC process is still undergoing	N/A	#
CP secured	N/A	#

### Impacts and Risks

Real estate development generates impacts on the host and neighboring communities where the projects will be built. There is a risk of displacement of informal settler families occupying the private property that is planned to be developed. Other negative impacts include public disturbance and access issues at construction stage.

### Management Approach

CLI is committed to creating long-term positive impacts and shared value across its host and neighboring communities, and partner organizations. To this end, the Company considers community engagements and infrastructure improvements as integral parts of its development plans. In 2023, the Company's

social responsibility arm, the Cebu Landmasters Foundation Inc. (CLFI), continued to implement the various programs and initiatives aligned with CLI's 4-pillar community development strategy, providing beneficiaries with decent and affordable homes, alternative livelihoods and livelihood support, and education and training. Employees were also engaged in these efforts through CLI's employee volunteer program.

## **CLI's 4-Pillar Community Development Strategy**

### **1. Housing and Integrated Development**

Through its Lending Expertise, Advancing Development in Socialized Housing program (LEAD), CLI provides decent and affordable housing to informal settler families through partnerships with local government units. In 2023, CLI prepared two properties for turnover, Sugbo Walk Up One in Brgy. Lorega San Miguel, Cebu City, and Tipolo Residences in Brgy. Tipolo, Mandaue City. A total of 190 units was made available to families who previously lived along riverways and families who lost their homes in fires that occurred in previous years.

To ensure long-term positive impacts for the beneficiaries, CLI adheres to a socialized housing development process that involves careful partner selection, stakeholder engagement, beneficiary management, creation and implementation of house rules, and finally monitoring and evaluation of outcomes. In addition, CLI provides these families not only physical spaces to live but also community and livelihood support, organizing a Community Management Council with a set of officers from among the beneficiaries, conducting programs on sanitation, disaster resilience, and community well-being, and ensuring proximity to important socioeconomic structures like schools, workplaces, and public markets. By giving these families access to decent homes, learning sessions, and livelihood opportunities, CLI supports their long-term well-being.

### **2. Environment**

Through the Green Resources & Opportunities for Work (GROW) program, CLI directly engages partner communities and organizations for seedling production, planting and maintaining native tree species, providing them with skills training, environmental education sessions, and opportunities for alternative livelihood. Again, to create lasting positive impact in the community, CLI follows a tree planting program process that involves the identification of community partners, planting and design training workshops, seedling production monitoring, site preparation, and progress reports during the plantation maintenance phase. In 2023, CLI engaged communities from 12 of its properties in Cebu province for the GROW program, supporting 2,395 individuals with alternative sources of income and reaching a cumulative total of 308,983 trees planted since 2021. The training provided by CLI also aims to create "eco-champions", instilling in members of the community a culture of resource conservation and greater understanding of environmental concerns. Through this initiative, CLI fulfills its goals of planting trees for carbon sequestration to offset its emissions, while also providing thousands of families with access to skills training and sustainable alternative livelihoods.

### 3. Education

CLI's Leadership and Educational Assistance Program (LEAP) aims to provide scholarships to dependents of CLI employees, supporting their education and future career. To ensure and monitor the effectiveness of the program, CLI follows a process that involves careful scholarship and applicant selection criteria, preliminary and panel interviews, scholars assessments, regular grades submission, a mentoring program, and a scholars' volunteer program. In 2023, CLI in exclusive partnership with the University of San Carlos awarded scholarships to 23 students, covering seven different bachelor degrees including architecture, computer engineering, business management, and hospitality.

Another program under this pillar is the Skills Training for Employment / Entrepreneurship Program (STEP UP), and the Training Resources for Ecosystems Enrichment (TREE) eco-skills training program, which was conducted with the San Isidro Farmers and Fisherfolks Association in San Fernando, Cebu, and the Tawsan, Guinsay Fisherfolks Association in Danao City. Through these initiatives, CLI capacitates its beneficiaries to access better opportunities for employment and livelihood.

### 4. Livelihood

CLI aims to promote self-reliance among its beneficiaries through the Livelihood Assistance for Multi-sectoral Beneficiary Organizations (LAMBO) program, *lambo* meaning "to flourish". The Company provides livelihood assistance to people's organizations, farmers, fisherfolks, women and other sectors in the community through a Business Assist Program and a Community Livelihood Program. The Business Assist Program helps communities organize cooperatives and build entrepreneurial skills through training, while the Community Livelihood Program provides support for micro-enterprise start-ups of community and peoples organizations. In 2023, CLI supported the farmer communities and neighboring barangays of MagsPeak Mountain Resort by connecting their products directly with consumers (CLI employees) at more affordable rates and better quality. Named the "Tabo sa CLI" initiative, this resulted in increased income for the farmers. The cooperative is now part of the Company's supply chain, delivering fresh produce for sales and marketing activities and events.

Aside from the aforementioned activities, the CLI PM also builds good relationships with the host communities of its managed properties by participating in community events like processions and religious celebrations, variety shows, sports events, and feasts or *salo-salo*.

CLI manages its relationships with local government units, local communities, and partner organizations through diverse engagement channels such as project orientations, consultations, chat groups, and seminars. Through these engagements, the Company makes sure to understand the genuine concerns, needs, and interest of its partners to strengthen the positive impacts of its social responsibility initiatives.

## Customer Management

### Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	4.48 out of 5 across investors, buyers and sellers/brokers	N

### **Impacts**

Maintaining customer satisfaction helps support the financial success of the Company through continued patronage and improved brand reputation. This, in turn, will generate positive impacts on the Company's other business partners and stakeholders, as robust economic performance contributes to fruitful partnerships and the creation of shared value.

### **Management Approach**

CLI manages its relationships with customers through a diverse set of engagement channels, maintaining regular and open communication and addressing their concerns to maintain their satisfaction with the Company. For instance, CLI launched the CLI Masters Circle in March 2023 to gather its top buyers and sellers in the Visayas-Mindanao region, offering them exclusive perks and services for their performance. Sellers' Modules were approved and submitted to the Professional Regulation Commission pending the release of the three-year compliant certificate. CLI held an accreditation event named Masters Assembly in Luzon to recognize qualified sellers.

In 2023, the Company invested in further improving and digitalizing its customer engagement channels, such as revamping its website, establishing the CLI Chatbot 2.0, and releasing the 360 Customer First Evaluation Survey. Transactions such as bank monitoring, unit turnovers, quit claims, and collection reports or payment registry reports were automated and/or made available on digital platforms as well. These make it safer and more convenient for customers to transact and engage with CLI.

### Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	N/A	#

\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

## Impacts

As with workplace health and safety, the protection and promotion of customer health and safety can also mean safeguarding the health of the general public who use these facilities. Striving to ensure customer safety may drive customer satisfaction as well, and generate positive financial effects for the Company and its stakeholders.

## Management Approach

Although there is always the risk of accidents happening within CLI's facilities that are out of its control, the Company strives to reduce these risks by implementing policies for customer health and safety across its managed properties. In its day-to-day processes, CLI PM, as well as homeowners associations and Condo Corps, endeavor to maintain safe spaces for tenants and guests. For instance, policies on pet ownership have been implemented in some properties in accordance with RA 9482 or the Anti-Rabies Law. CLI PM coordinated with expert resource persons and local government units to provide seminars on responsible pet ownership and free anti-rabies vaccination programs to homeowners in these locations. These initiatives help make the community a safer place to live.

## Marketing and Labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	N/A	#

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

## Impacts

Companies are responsible for informing customers of the correct and necessary product information to uphold fairness in their decision-making and protect their safety. By including all pertinent information and engaging in truthful marketing, CLI contributes to greater public safety and trust.

## Risks

Product advertising using digital media channels may raise concerns on brand safety and data breaches. Other risks include third-party claims for intellectual property infringement. Advertising content on social media may unknowingly appear next to inappropriate content that may have an indirect negative impact on brand value. All these, to a certain extent, may present reputational risk, business risk, data security and legal risk. In addition, property marketing risks may arise in materials that highlight features and amenities presented using an architect's conceptual and schematic designs. CLI ensures that all of the features and amenities promised in the marketing materials are delivered.

## Management Approach

With an increasingly competitive real estate environment particularly residential sales and commercial operations, customers tend to look for key differentiators such as powerful online presence, good brand recognition, mobile apps and online events that substitute face-to-face activities that significantly save time and effort. To address this need, Cebu Landmasters, Inc. advertises its products through a multi-channel approach: billboards, LED screen, brochures, radio ads, social / digital media and other means.

The Company ensures that its advertising and branding campaigns comply with existing laws and regulations of government regulatory agencies such as Department of Trade and Industry (DTI) and Ads Standards Committee (ASC) for all ads and promotions that are accessible to the general public outside the Company's facilities.

### Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	N/A	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

### Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

### **Impacts and Risks**

CLI recognizes the risk posed to customers' and corporate data security by hacking and data breaches. This may result in disruption in the Company's operations, the loss or theft of corporate information which may negatively impact the Company's stakeholders and shareholders, and the theft of personal identifiable information which may bring negative impacts upon the affected users.

## Management Approach

To protect corporate and customer data, the Company has implemented strong security policies in secured network protection throughout its aspects of data management. In 2023, CLI updated its Data Privacy Policy by reviewing and re-enforcing physical, technical, and organizational protection measures.

Major highlights from this review include:

- Privacy Statements and Notices
- Consent from CLI Data Subjects
- Employee Awareness Campaigns
- Non-Disclosure and/or Data Sharing Agreements
- Privacy Impact Assessments
- Data Management Policies
- Information Security Policies and Programs
  - Firewalls, Encryption
  - User Access
  - Physical Security
  - Breach Management Policy
  - Disaster Recovery Plan and Procedures

In addition, the Company ensures that all customer information that it collects is accessible only by authorized personnel, and that all personal data collected are processed only for permitted and legitimate purposes. The Company also has a secure email system and a 24/7 IT deck that monitors the CLI network.

In 2023, CLI began the planning and creation of its Digitalization Strategic Roadmap, which upgraded many of its customer services to digital platforms and into automated processes. These services include some banking transactions, which have been protected to make it safer for customers to transact with CLI.

## UN SUSTAINABLE DEVELOPMENT GOALS

### Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Construction and Management of Quality Properties	<p><b>GOAL 11: Sustainable Cities and Communities</b> CLI provides access to affordable housing. In 2023, CLI continues to build well-planned, accessible, healthy, eco-efficient, inclusive and sustainable residential (___ units), office ( ), hotel ( ), mixed-use ( ) and township developments (2)</p> <p><b>GOAL 8: Decent Work and Economic Growth</b> CLI offers safe and decent jobs by providing health spaces and good working environments and practices. In 2023, CLI had a total of 914 direct hires and 9370 indirect hires (outsourced personnel /contractors' workforce)</p> <p><b>GOAL 9: Industry, Innovation and Infrastructure</b> CLI sets the trend in developing socialized housing medium-rise buildings for the urban poor. In 2023, CLI facilitated the move-in of 96 informal settler families and constructed an additional 90 units for fire victims.</p> <p><b>GOAL 10: Reduced Inequalities</b> CLI's developments provide employment opportunities and support local businesses. It supports a workforce of more</p>	<p>The activities required for the Company's operations and social responsibility programs inevitably consume resources and produce waste material, which may contribute to pollution.</p> <p>Construction activities may disturb and damage biodiversity, affecting the natural balance of local environments.</p> <p>Developments may cause traffic congestion and noise pollution.</p>	<p>CLI has policies in place to manage and monitor its consumption of resources and generation of waste material. Efficiency initiatives are implemented and continuously explored to control resource intensity and waste production.</p> <p>In protected areas such as the locality of MagsPeak Mountain Resort, CLI conducted a biodiversity assessment as a baseline for monitoring its impacts on local wildlife. In general, CLI complies with environmental regulations for all its properties, ensuring that its environmental impacts are manageable.</p>
Social Responsibility Programs	<p><b>GOAL 10: Reduced Inequalities</b> CLI's developments provide employment opportunities and support local businesses. It supports a workforce of more</p>	<p>Beneficiaries of social responsibility programs may become reliant on the Company for livelihood support.</p>	<p>Based on its 4-pillar strategy which is aligned with the Company's sustainability strategy, CLI's social responsibility programs are designed to empower beneficiaries to become self-reliant.</p>

	<p>than 5,000 occupying its office buildings and retail spaces.</p> <p><b>GOAL 3: Good Health and Well-Being</b>          CLI invests in the health and wellbeing of its employees.</p> <p><b>GOAL 12: Responsible Consumption and Production</b>          CLI tracks and manages resource use and impacts.</p> <p><b>GOAL 15: Life on Land and GOAL 13: Climate Action</b>          CLI strives to manage its environmental impacts and seeks to help protect ecosystems through various initiatives in collaboration with its host communities and external partners</p> <p><b>GOAL 5: Gender Equality</b>          CLI promotes diversity and equal opportunity in the workplace and its areas of operations. In 2023, female to male ratio is at 11:9</p> <p><b>GOAL 17: Partnerships for the goals</b>          CLI builds and strengthens relationships with its partners, communities, government, civil society organizations and the rest of its stakeholders. CLI, through its corporate foundation, engaged 160 institutions to implement support the community development programs from 2021 - 2023</p>		
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\* None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.